

### **Remarks**

Claims 1-10, 21-29, 35, 37-50 and 60-63 were previously canceled without prejudice or disclaimer; Claims 18, 34, 36 and 59 were amended; and Claims 64-88 were newly added in a Preliminary Amendment filed April 16, 2004. Claims 11-20, 30-34, 36, 51-59 and 64-88 are pending in the Application. Claims 11-20 and 86 stand as rejected under 35 U.S.C. §101. Claims 13, 16-20, 55-59 and 64-73 stand as rejected under 35 U.S.C. §112. Claims 11, 12, 14, 15, 51-54, 64, 65, 67, 68 and 86-88 stand as rejected under 35 U.S.C. §103. In view of the following remarks, reconsideration and withdrawal of the rejections is respectfully requested.

### **Claim Rejections Under 35 U.S.C. §101**

Claims 11-20 and 86 stand as rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter.

Applicants submit that Claims 11-20 and 86 are directed to statutory subject matter. Applicants submit that a technological basis is not required to be recited in the preamble and body of a claim. A claim may be statutory if it is limited to a practical application in the technological arts. The key is whether the Claims have a practical application because a useful, concrete and tangible result is produced (See MPEP 2106). The Applicants' invention of Claims 11-20 and 86 produces the useful, concrete and tangible result of recommending an allocation of the assets of the financial worth of the investor between the first and second investment types such that the asset allocation of the total worth of the investor meets or most closely approaches the target allocation, where the recommendation is used to determine how assets in an investment portfolio ought to be allocated among predetermined investment vehicles. Thus, Applicants respectfully requests that the rejection be withdrawn.

Moreover, the Applicants' invention of Claims 11-20 and 86 fall within one of the safe harbors at described in MPEP 2106. More specifically, the Applicants' invention of Claims 11-20 and 86 include one or more post-computer process steps that result in a physical transformation outside the computer, where

Addition, Applicants are puzzled by the citation of Ex parte Bowman (61 USPQ2D 1669 2001)), which is used for its content and reasoning, in light of the fact that the opinion cannot serve as precedent. However, even if Ex parte Bowman were appropriate, Applicants' situation is distinguishable. In particular, Ex parte Bowman states:

With respect to the rejection under *35 U.S.C. Section 101*, the examiner asserts that the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed. Appellant responds by analyzing the claimed invention under "The Examination Guidelines for Computer-Related Inventions" as published by the United States Patent and Trademark Office. Based on these guidelines, appellant argues that the recited method of creating a chart and plotting thereon is 'physical and has clear real world value'. Appellant also argues that the claimed process clearly results in a physical transformation outside of a computer for which a practical application in the technological arts is either disclosed in the specification or would have been known to a skilled artisan. The examiner responds that the noted guidelines are inapplicable here because appellant has not recited the use of a computer in either the specification or the claims. The examiner finds that neither the specification nor the claims discuss the use of any technology with respect to the claimed invention. 61 USPQ2D at 1671 (citations omitted).

While the Court agreed with the examiner in Ex parte Bowman, clearly, Applicants' invention of Claims 11-20 and 86 falls within the technological arts as the specification discloses the use of a computer as evidenced, for example, on page 5, lines 2-4; Figures 5 and 6.

Accordingly, Applicants submit that Claims 11-20 and 86 are directed to statutory subject matter and respectfully request that the rejection be withdrawn.

### **Claim Rejections Under 35 U.S.C. §112**

Claims 13, 16-20, 55-59 and 64-73 stand as rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctively claim the subject matter which the Applicant regards as the invention.

With respect to the term “stored ratio” used in Claims 13 and 66, Applicants submit that the term “stored ratio” refers to the target allocation of the total worth of an investor between a first and second investment type, which is a predetermined value based upon the investor’s human capital. The “stored ratio” is a dynamic value that will be adjusted in accordance with the change in an investor’s human capital, thus as an investor’s human capital changes the stored ratio representing the associated target allocation of investments will likewise be adjusted and re-stored. Therefore, Applicants respectfully request that this rejection be withdrawn.

With respect to Claims 16, 18, 55-57 and 69-71, Applicants submit that the phrases “calculating a case” and “recalculating additional cases” refer to particular financial scenarios. As evidence, Applicants point to the Applicants’ specification (page 5, line 23 through page 6, line 13) as further clarification regarding the above-noted phrases. As set forth therein, a multitude of scenarios utilize varying human capital, where the scenario results vary according to changes to several parameters or data concerning the current financial wealth of a plan participant such as, for example, the participant’s current age, probable retirement age and/or a savings rate. In “calculating a case”, Applicants’ invention of Claims 16, 18, 55-57 and 69-71 utilizes a particular set of parameters to generate an investment strategy. In “recalculating additional cases”, Applicants’ invention of Claims 16, 18, 55-57 and 69-71 generates different investment strategies than that previously described based upon a change in one or more of the parameters and/or financial wealth of the plan participant. Thus, an investor may be presented

with a plethora of investment strategy options from which to choose that are based upon, inter alia, their current financial health, probable retirement income and projected retirement age. Therefore, Applicants respectfully request that this rejection be withdrawn.

With respect to the phrase “using the human capital calculated for the selected case” used in Claims 18, 57 and 71, Applicants submit that sufficient antecedent basis is provided as shown hereafter. Claim 18 depends from Claim 11; and Claim 57 depends from Claim 51; where line 3 in both Claims 11 and 51 recites “...determining a human capital of the investor...”. Claim 57 depends from Claim 64, which in line 3 recites “...a human capital of at least one investor...”. In each instance antecedent basis is provided for the phrase “using the human capital calculated for the selected case”. Therefore, Applicants respectfully request that this rejection be withdrawn.

With respect to the phrases “determining whether the first portfolio type should still be indicated for the investor given the recommendation of allocation of assets at the second time” and “or whether the investor should be shifted to an adjacent, second portfolio type” used in Claims 19, 58 and 72, Applicants point to Applicants’ specification (page 20, line 18 to page 21, line 2), which will provide the necessary clarification requested in the Office Action. Therefore, Applicants respectfully request that this rejection be withdrawn.

With respect to the phrase “shifting the investor to the second portfolio type” as used in Claims 20, 59 and 73, again Applicants point to Applicants’ specification (page 20, line 18 to page 21, line 2), which will provide the necessary clarification requested in the Office Action. Therefore, Applicants respectfully request that this rejection be withdrawn.

With respect to the use of the term “system” in Claims 64-73, Applicants submit that the term refers to a number of components that act in concert to carry out the automatic rebalancing

of an investor's portfolio. The components may or may not be contained in a single apparatus, but may be in communication with one another through a variety of methods such as, for example, Figure 5 of the Applicants' specification. Therefore, Applicants respectfully request that this rejection be withdrawn.

### **Claim Rejections Under 35 U.S.C. §103**

Claims 11, 12, 14, 15, 51-54, 64, 65, 67, 68 and 86-88 stand as rejected under 35 U.S.C. §103(a) as being unpatentable over Tarbox et al. (U.S. Patent Pub. 2002/0169701).

Applicants submit that Tarbox discloses an investment program designed to improve investment performance for investors, including participants in Benefit Plans, by automatically determining appropriate savings levels and automatically allocating, rebalancing, and reallocating investment assets for investors, while eliminating or, at least, ameliorating the conflict of interest that would otherwise exist between a provider of automatic allocation services and persons that would normally benefit from such automatic services, such as money managers or registered investment advisors (See paragraph [0002] of Tarbox).

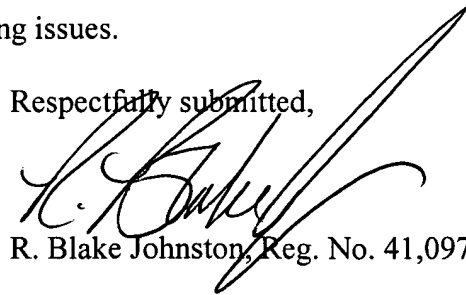
Applicants submit that Tarbox briefly mentions the concept of Human Capital in paragraphs [0044], [0045] and [0046]; however, its described criterion used for selecting the initial Benefit Plan investment allocation is based on cash flow needs and human capital. In sharp contrast to Tarbox, Applicants' invention of Claims 11 (from which Claims 11, 12, 14 and 15 depend), 51 (from which Claims 52-54 depend), 64 (from which Claims 65, 67 and 68 depend), 86, 87 and 88 rebalances and allocates an investor's investment types where an investor's current financial worth is accounted for in conjunction with their human capital to derive a total worth of the investor. Tarbox focuses only on future financial needs and fails to teach or suggest the inclusion of an investor's current financial worth in combination with their

human capital, which will have a significant impact on making a target allocation of the total worth of the investor between the investment types.

Moreover, Tarbox teaches investment allocation, but fails to teach or suggest making a target allocation. In sharp contrast, Applicants' invention of Claims 11 (from which Claims 11, 12, 14 and 15 depend), 51 (from which Claims 52-54 depend), 64 (from which Claims 65, 67 and 68 depend), 86, 87 and 88 teach making a target allocation and then allocating an investor's total worth of the investor to meet or most closely approach the target allocation. The target allocation is important because it allows for maximizing of the utility of an investor's human capital by offering a standard against which an investor's portfolio may be compared so that adjustments to the investor's may be effectuated, if necessary. As a result, one skilled in the art would find any teaching or suggestion in Tarbox to result in the subject matter of Claims 11, 12, 14, 15, 51-54, 64, 65, 67, 68 and 86-88. Accordingly, Applicants respectfully request that the rejection be withdrawn.

In light of the foregoing amendments and/or remarks, Applicants respectfully submit that the Application is in condition for allowance, which action is respectfully requested. In order to expedite disposition of this case, the Examiner is invited to contact Applicants' representative at the telephone number below to resolve any remaining issues.

Respectfully submitted,



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